

MEETING SUMMARY NOTES

Mayor's Infrastructure Finance Committee

*April 10, 2003
3:30 p.m., Hall of Justice,
Police Training Room A*

Members: Present – Jan Gauger, Russ Bayer,
Carol Brown, Jon Carlson, Bob Hampton,
Dan Marvin, Richard Meginnis, Terry Werner, Otis Young, Larry Zink,
Allan Abbott (non-voting)

Absent – Brad Korell, Linda Crump, Jerry Schleich

Others: Kent Morgan, Roger Figard, Randy Hoskins, Michele Abendroth,
Margaret Remmenga

AGENDA ITEMS DISCUSSION:

1. Welcome - Jan Gauger, Committee Tri-Chair

Ms. Gauger called the meeting to order at 3:38 p.m. and welcomed those present.

2. Meeting Summary Notes - March 20, 2003

Ms. Gauger asked if there were any changes to the “Meeting Summary Notes” from the March 20, 2003 meeting. None were suggested.

3. Remarks from Mayor Wesely

Ms. Gauger then asked Mayor Wesely to proceed with his comments. Mayor Wesely thanked the committee members for their work thus far and expressed that the two new Mayoral candidates have indicated their support for this process as well. He then distributed a sheet of *Suggested Compromises* and brought forth some issues for their consideration. He stated that the Committee should use the Comp Plan as a guide, and we should only look to make changes in the Plan if we fall short. He indicated that the Antelope Valley Project and the Beltway Project need to proceed simultaneously to balance City spending on the edge and the core of the City. On the specific proposals, first, sidewalk money goes from \$250,000 to \$500,000, and secondly, the City has quadrupled the rehabilitation of residential streets. Thirdly, impact fees should be reiterated as part of the solution. The thought is that these will stay in place and will not be reversed. Lastly, we have assumed that impact fees will be automatically adjusted annually for construction inflation. Mayor Wesely again thanked the Committee for their work and dedication to this process.

Ms. Gauger thanked Mayor Wesely for his comments.

4. Public Comment Period

Ms. Gauger asked if there were members of the public present who would like to address the Work Group at this time. There were none.

5. Discussion of “Issues to be Addressed” Memo

Mr. Zink referred the committee to the document previously distributed at the last meeting which indicated the concerns of a subgroup of the committee including Carol Brown, Jon Carlson, Dan Marvin, Terry Werner and Larry Zink. Mr. Zink stated that one concern is the maintenance of existing neighborhoods. Mr. Abbott has stated that they are doing what they realistically can within the confines of the budget. Mr. Zink said they would like the cycle for residential street rehabilitation to be changed from a 40 year cycle to a 30 year cycle. For arterials, they would like to have a 15 year cycle as opposed to a 25 year cycle.

Mr. Abbott stated that he believes that with the work of the Cost Savings and Efficiency Work Group, we have deferred as much as we should. Mr. Carlson stated that if the analysis comes back and says that we are deficient in street maintenance, the primary consideration is if there are guidelines to decide which project is given priority, which would possibly mean that another project gets deferred. Mr. Zink stated that he would like to have a dollar figure attached to the street maintenance. Mr. Bayer asked if the 40 year cycle is accurate. Mr. Abbott stated that it is very roughly accurate, because there was an assumption made that half of the streets in town are in pretty good shape and half are not. Mr. Bayer stated that if we move the cycle up by 10 years, that would essentially mean a 33% increase in the budget.

Mr. Hampton stated that he also would like to see the built neighborhoods get what they need, but questioned what defines the built neighborhood. He cautioned that we also need to figure out how to pay for it. He added that there are major streets that need to be widened and should be a high priority. Mr. Hampton stated that we have to be careful in how we craft this and have language more geared toward a community wide traffic plan. We need to improve the flow of traffic through the City. We need some good roads around the fringe to move traffic, and there are projects that should not be dropped off the list.

Mr. Werner stated that it seems these are two separate things. If these projects are included in the budget, one project does not need to drop off to do another one. Mr. Carlson stated that if we do not want to increase the gap, then it needs to be clear whether we are sticking with the priorities that we have or increasing the funding.

Mr. Abbott stated that they have looked at the streets and determined which ones could be deferred. Mr. Meginnis stated that there should be flexibility in the program to allow for variances in the project. Mr. Marvin stated that it seems that there should be a financing plan that looks at the total package. Mr. Bayer summarized the subgroup's requests in that first, they want to reiterate verbiage to restate the charge of the committee; and, secondly, they want to budget more money for a 30 year street replacement cycle. Mr. Bayer questioned the subgroup if they would be comfortable in stating that we should move to a 30 year replacement cycle as opposed to putting a dollar amount in the budget. Mr. Zink questioned what the content of the report is going to be. He noted that if the various spreadsheets that have been distributed are going to be in the report, the absence of a dollar figure could be a problem. Mr. Bayer stated that this Committee is providing a

general funding package for the Comprehensive Plan, and the Mayor, City Council and staff will determine how that money is spent. Mr. Zink stated that if he is going to sign off on a package that substantially increases taxes, he is going to need some pretty clear assurance that the needs of the existing neighborhoods are being met. Mr. Bayer stated that he feels this Committee's charge is to be "macro-recommenders" as opposed to "micro-recommenders".

Mr. Zink stated that this is just one issue that a group of five Committee members felt was very important. He also stated that he does not believe there is any common vision of what the report should include. Mr. Hampton stated that he believes that we should be macro and big picture. Mr. Bayer stated that in the big picture, streets and sidewalks are a relatively small amount of the budget. Mr. Abbott stated that the Finance Work Group has asked Mr. Giovanni to define what kind of bonds could be issued and the debt service, and he will have this information at the next Finance Work Group meeting on April 16th. Mr. Figard stated that the Comp Plan has clear strategies stating that we must take care of the built environment and provide for orderly growth, and we are here because we cannot do both with the existing resources. Mr. Meginnis stated that the policy is already in place in our charge statement. Mr. Carlson suggested that this Committee support the principle of a 30 year replacement cycle for streets and a 10 year replacement cycle for sidewalks. Mr. Abbott then suggested looking at the numbers from Mr. Giovanni before making any decision.

Mr. Zink stated that he believes there is not trust from the community that we are providing for the existing community, and he feels that we need to be explicit in our language of how we are going to meet their perceived needs. This is a relatively small amount of money, and he questioned why we should not be as clear as possible to send that message, because otherwise he does not believe they will vote for it. Mr. Hampton stated that it is unfortunate that the perception is there and he wants to send the same message, but the reality is that we need streets on the fringe. Ms. Gauger stated that she believes that there is general consensus from the committee that they agree with a policy recommendation on this issue.

6. Approach for Remaining Committee Meetings

Ms. Gauger then asked the group how they wanted to proceed with discussion during the remainder of the three meetings. Mr. Marvin asked that the Legislative Work Group review assessment districts to ensure that everyone pays their fair share. Another issue to look at is the taxing authority outside the City. Mr. Werner stated that the Finance Work Group also discussed the City wage tax and sales tax as a long-term solution. Ms. Gauger questioned if the Legislative Work Group should meet again to discuss these issues. Mr. Morgan stated that in the interest of time, he feels it is in the charge of the Committee to take the recommendations from the Work Groups and accept or revise them. Mr. Zink stated that there are some disagreements on fundamental issues that need to be worked through. Mr. Morgan stated that he needs guidance from this group as to what they feel is important to include in the report. He suggested that the Committee review each of the reports from the Work Groups and accept those reports or make changes as necessary. Mr. Marvin stated that there are conflicts between the recommendations of the Work Groups that need to be resolved, and then asked Mr. Morgan to provide a list of such conflicts.

Mr. Zink stated that these issues are important to this subgroup of five Committee members, and they will consider these issue when voting upon a report. Mr. Morgan stated that they have some great ideas, but in the interest of time, they may have to look at the report and determine that a principle applies, but possibly is stated differently. Mr. Zink noted that they brought these issues up because they wanted to inform the Committee of their concerns as they did not want a “train wreck” at the end. Mr. Morgan suggested that if there are some preamble issues that they want in the report, they could articulate those and draft a document for consideration. Ms. Gauger urged them to deal with macro ideas and policies, rather than specifics. Mr. Zink then asked if the all of the spreadsheets and micro details will be included in the report. Mr. Bayer responded that he did not think they should be included.

7. Other Business

Mr. Abbott stated that in regard to timing, next year’s CIP is not going to have enough things happen to get the amount of money we are talking about that first year. He cautioned them to please recognize that this could slide a year, and if it is 2003-04, we are going to try to prioritize projects to show what we can and cannot do under various assumptions. He noted that he did not want to mislead them when a project comes up and the CIP can’t match this because of dollars.

Mr. Hampton stated that although he understands the concerns of the subgroup, many of the Committee members could have come up with issues from the opposite perspective. He is comfortable with impact fees as they are and urged them to be in the same spirit knowing that they will be reviewed in five years. He also noted that they need to be careful about using such strong language. Mr. Werner stated that when doing a 12 year plan, there are assumptions, and in his opinion, one assumption is an inflationary increase in impact fees through the 12 years. The other part to that is, without the impact fees being in there, he thinks that it will be difficult to get the bond issue, the wheel tax increase and the gas tax increase. He believes that is why it is important for this Committee to reaffirm the impact fees, so that there is a balanced approach in which the community pays, the developers pay and users pay. Mr. Bayer noted the sensitivity of impact fees and stated that he believes this Committee should recommend approval of a funding package and state exactly what it includes.

Mr. Zink stated that we need to be clear about the decision making process. Ms. Gauger stated that we will use consensus for the most part. Mr. Morgan stated that there are certain things that will need to be voted upon. Mr. Bayer stated he hopes that this Committee can reach consensus and draft one unified report. If he personally votes ‘no’ for something that the whole committee supports, if challenged on it, he will support the Committee’s decision.

8. Other Business

Ms. Gauger adjourned the meeting at 5:02 p.m.